

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL**

DATE: SEPTEMBER 9, 2011

**SUBJECT: CASE NO. IPC-E-11-11
IDAHO POWER'S APPLICATION FOR APPROVAL OF ITS 2011
INTEGRATED RESOURCE PLAN (IRP)**

On June 30, 2011, Idaho Power Company filed an Application requesting the Commission issue an Order accepting the Company's 2011 Integrated Resource Plan (IRP). As directed in previous Commission Orders, the Company prepares and files a biennial IRP setting forth how the Company intends to serve anticipated electrical requirements of its customers. The 2011 IRP consists of four documents: (1) the 2011 Integrated Resource Plan; (2) sales and load forecast (Appendix A); (3) demand-side management 2010 annual report (Appendix B); and (4) technical appendix (Appendix C). The primary goals of Idaho Power's 2011 IRP are to: (1) identify sufficient resources to reliably serve the growing demand for energy within Idaho Power's service area throughout a 20-year planning period; (2) ensure the selected resource portfolio balances cost, risk, and environment concerns; (3) give equal and balanced treatment to both supply-side resource and demand-side measures; and (4) involve the public in the planning process in a meaningful way. Idaho Power Application, p. 3. To incorporate stakeholder and public input in the IRP, the Company works with the Integrated Resource Plan Advisory Council (IRPAC) comprised of members of the environmental community, major industrial customers, agricultural interests, Idaho state legislators, representatives of the Commission Staff, representatives from the Idaho Office of Energy Resources and the Northwest Power and Conservation Council. Idaho Power Application, p. 2.

The IRP evaluates energy needs during a two 10-year planning period (2011-2020 and 2021-2030). Idaho Power expects its number of customers to increase from around 492,000

in 2010 to more than 650,000 by the end of 2030. Idaho Power's average load is expected to increase by 29 average MW (1.4%) annually and summer time peak hour loads are expected to increase by 69 MW (1.8%) annually through 2030.

The Application states that the Company responded to specific Commission instructions when it approved the Company's 2009 IRP in Order No. 32042. Specifically, the Commission recommended the Company: (1) compare the risks, costs, and environmental benefits of strategies that directly reduce emissions from its resource mix to the purchase of emission offsets or offset options; (2) include in the 2011 IRP "a more detailed discussion on how it plans to reach its carbon reduction goals and curtail its coal operations," and recommending that the Company include the quantity of greenhouse gas emissions per average MWh associated with each portfolio; (3) "redouble its efforts to realize the achievable potential for savings from efficiency and DSM programs documented in the Nexant report," and recommending that the Company identify economic and non-economic barriers to deployment of energy efficiency and DSM initiatives; and (4) because the Company has increased reliance on natural gas in its resource portfolio, the Company address in the 2011 IRP "the risks to the Company and its customers associated with the reliance on such an economically volatile commodity." Idaho Power Application, p. 5. The Company states that it specifically addressed each of these directives in the 2011 IRP.

Staff recommends that the Application of Idaho Power for acceptance of its 2011 IRP be processed by Modified Procedure with a 60-day comment period, followed by a 14-day reply comment period.

COMMISSION DECISION

Should the Application of Idaho Power for an Order accepting the Company's 2011 Integrated Resource Plan be processed by Modified Procedure with a 60-day comment period, followed by a 14-day reply comment period?



Weldon B. Stutzman
Deputy Attorney General

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